

FISCAL IMPACT STATEMENT ON BILL NO. **H. 3922, as Amended**

(Doc. No. Unknown)

TO:	The Honorable Billy Witherspoon, Chairman, House Agriculture, Natural Resource & Environmental Affairs Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein		
DATE:	February 14, 2006	SBD:	2006087

AUTHOR:	House Agriculture Committee	PRIMARY CODE CITE:	44-96-185
SUBJECT:	Mercury Switch Removal Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

House Bill 3922, as amended, amends Title 44, Chapter 96 of the Code of Laws of South Carolina, 1976, by adding Section 44-96-185 (Mercury Switch Removal Act) relating to the removal and disposal of mercury switches from automobiles prior to their destruction at a scrap recycling facility. The Bill requires automobile manufacturers, in cooperation with the Department of Health & Environmental Control (DHEC), to develop and bear the cost of operating a comprehensive mercury switch removal program. The Bill authorizes DHEC to utilize funds from the Solid Waste Trust Fund to administer this program. The Bill also amends Title 12, Chapter 6 of the Code of Laws of South Carolina, 1976, by adding Section 12-6-3530 which provides a tax credit of \$2.50 for each switch removed by a vehicle recycler. The Bill provides for its own repeal on June 30, 2013.

EXPLANATION OF IMPACT:

The Department of Health & Environmental Control estimates that it would require 2.00 FTEs to monitor and enforce the program. Personal Service costs are estimated at \$127,395 and Other Operating costs are estimated at \$9,500 resulting in a total annual cost of \$136,895. Since the Bill authorizes DHEC to utilize the Solid Waste Trust Fund, all operating expenses would be paid using Other Funds.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill. The Bill provides a tax credit of \$2.50 per switch removed. The automobile industry estimates that there are 297,000 end-of-life vehicles in South Carolina with an average of 0.56 switches per vehicle. The number of end-of-life vehicles containing mercury switches will steadily decline over the year since such switches have previously been outlawed.

Approved by:



Don Addy
Assistant Director, Office of State Budget